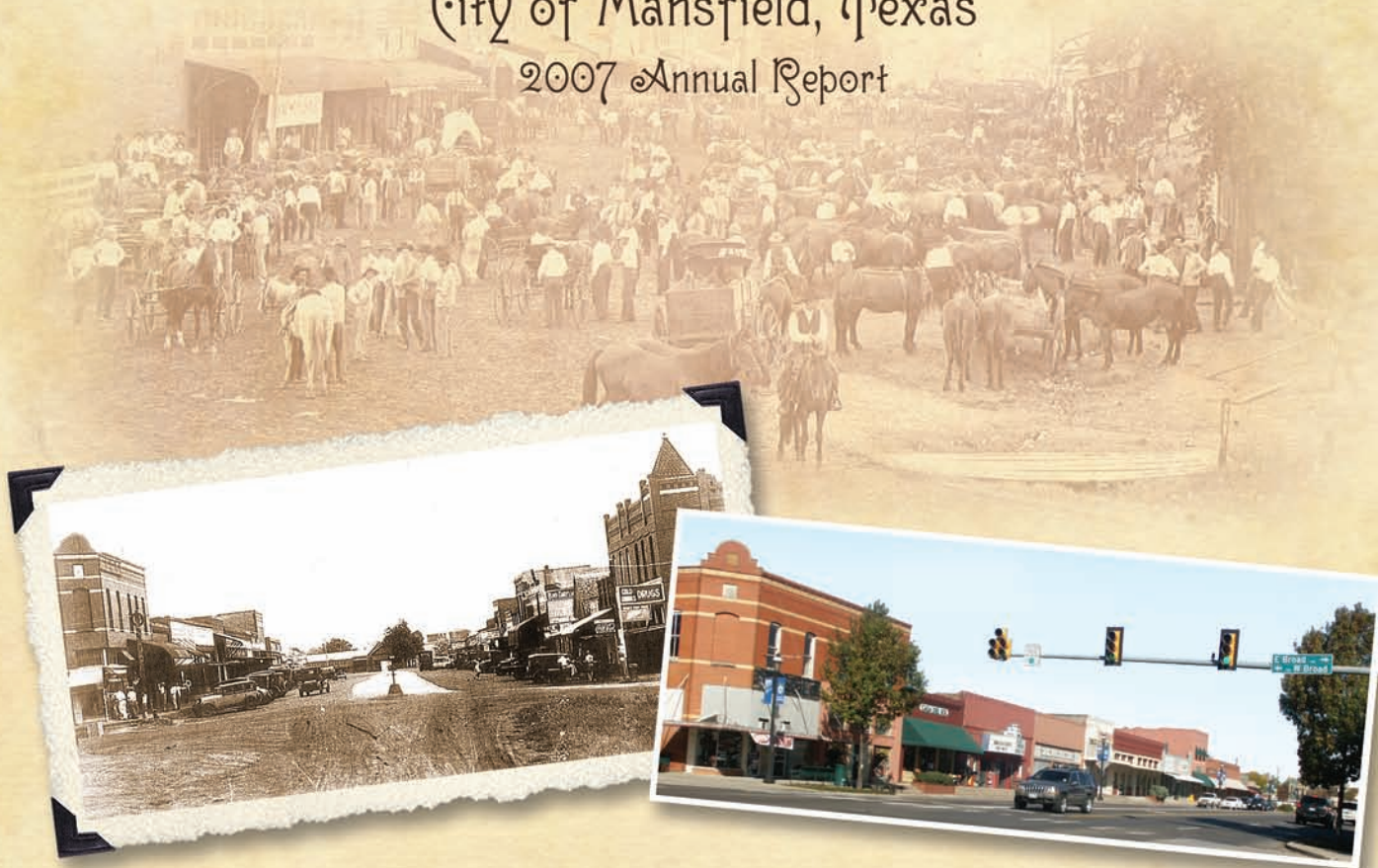


# City of Mansfield, Texas

## 2007 Annual Report



A Community Built To Last







# City heritage a strong foundation for its current success

As the Chief Executive Officer of the City of Mansfield, I have the pleasure each year to report to our citizens on the positive financial performance and continued success of our city. A solid foundation of a strong local economy, high quality growth, an excellent quality of life and a conservative approach to spending enabled Mansfield to maintain its positive performance in 2007.



New development continued as it has in previous years, with dynamic projects that positively impact our community and generations of Mansfield residents. That growth represented a shift in dynamics from residential to commercial and industrial.

- The assessed value of commercial, industrial and residential property in the city grew 8.7 percent in 2007 or \$265 million, for a total value of \$3.8 billion. New construction

accounted for 73 percent of that growth. The growth in our tax and employment base allows citizens to live, work and play in the city they call home.

- Growth of retail and commercial development in Mansfield resulted in an 18.1 percent increase in sales tax revenue in 2007, a \$1.4 million increase over the previous year as new restaurants and shopping conveniences opened in the city.
- By the end of FY 07, three of five new hotels planned for Mansfield were preparing to open, with two others in the planning stages. The new hotel projects were drawn to the city's new amenities and particularly Big League Dreams sports park, which was also nearing the end of its construction phase and planning for a spring 2008 opening. The city broke ground in 2007 on BLD's companion in the entertainment district, Hawaiian Falls water park, with a projected May 2008 opening.
- The city's new medical district began to take shape with Methodist Mansfield Medical

Center as the centerpiece. Several physician office buildings, medical-related industries and supporting retail were under construction during 2007.

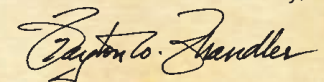
- Expansion and improvements in city services continued to be a priority, with projects to extend water and sewer service to the city's southeast sector, road improvements near the Highway 360 and East Broad Street corridor and an update of the city's Parks Master Plan.

While much of Mansfield's tremendous growth has been in the last 10 years, the city has more than 100 years of history as a foundation for its success. It was business and economic opportunity that drew the city's founders to Mansfield, an area where the natural resources of the land could grant prosperity to those who worked hard. And with a gristmill as a cornerstone, they built a city designed to meet the needs of its residents through the years. Mansfield was indeed a city built to last, and it has succeeded just as those founding residents intended.

The Mansfield of today continues in much the same spirit as it did 100 years ago. We have a vision of what our community can be and what it can do, and we work aggressively toward that goal together. High quality is the standard by which we measure all of our endeavors, from new development opportunities to community services, and we strive for innovative and creative ways to make the Mansfield experience unique for residents and visitors.

We believe Mansfield has achieved the excellence expected by those who came before us. We are grateful for the heritage we have and appreciative of those who continue to lead and volunteer in our city now and in the days to come. The achievements of the last year are a clear indication of our sustainability and our bright future.

Sincerely,



Clayton W. Chandler  
City Manager





# Mansfield History

From 1856 to present, Mansfield strives to build a lasting community



When settlers first began arriving in North Central Texas in the 1840s, the area that is now Mansfield was rolling prairie where Indians used the red bluffs above Walnut Creek to scout for

Calvary units moving across the plains. But with the establishment of Fort Worth to the northeast, more and more settlers saw the grasslands as an ideal place for homesteads.

Around 1856, Ralph S. Man and Julian Feild came to North Texas from South Carolina and decided to partner on a gristmill located at the crossroads of what is now Main and Broad streets in Mansfield. Feild purchased 540 acres of land and the two men began building the three story brick gristmill, the first steam powered mill in North Texas. Once operational, the mill produced flour and meal and drew customers from as far south as San Antonio and as far north as Oklahoma. The mill continued to be successful even through the Civil War.

Soon the community that was growing around the mill took the name



of the mill's founders and the town became known as Mansfeild (over the years the spelling was changed to reflect the more common spelling).

Mansfield thrived during the war because of the mill and many residents joined in the prosperity. The Mansfield Male and Female College was founded in 1870 and may have been the catalyst for the first plat of the community. By 1880, the town had

grown to more than 200 people as more and more families fleeing the south settled in southern Tarrant County.

In the mid-1880s the railroad arrived in Mansfield, thanks to citizens who banded together and raised \$5,000 and right-of-way donations from property owners to entice the Fort Worth and New Orleans Railroad to run trains through the town between Fort Worth and Waxahachie.

The drive and hard work of its







citizens led to the incorporation of Mansfield on Aug. 13, 1890 with a population of 418. By the start of the next century, the town had about 700 residents.

With the closing of the Man and Feild mill in 1910, Mansfield settled into its role as the center of an active farming community in southeast Tarrant County. As the North Center region grew after World War II, Mansfield remained a quiet rural community. However as the 1980's and 1990's saw greater movement in families looking for a less urban environment, Mansfield saw a steady increase in new housing developments. By the late 1990's, the boom had begun and the city's population began to soar.

From early 2000 to present, the city has been considered among the fastest

growing cities in the state of Texas, posting 12 to 18 percent growth annually. In 2007, Mansfield was named to *Money Magazine's* list of the "Top 100 Best Places to Live in America," and to *Forbes Magazine's* "Fastest Growing Suburbs" list.



# Leadership Provides Direction



## City leaders, volunteers give community direction for the future

The partnership of Julian Feild and Ralph Man may have given Mansfield its start, but other leaders and volunteers have stepped up over the years to give direction and focus to the city's future.

From city councils and city boards to civic organizations and local charities, Mansfield residents have stepped forward to contribute time and money to efforts designed to strengthen the community and aid those in need. In those efforts, residents are joined with city staff and city employees who work to make a difference in the lives of citizens.

"Volunteerism is a long-standing tradition in Mansfield," says City Manager Clayton Chandler. "Those who give back as volunteers have shaped almost every aspect of this community. Mansfield is defined by the volunteers that sacrifice to give back each and every day."

In 2007, the city's elected officials continued to deal with the challenges of explosive growth, as well as the day-to-day issues that all communities face.



From left to right,  
Assistant City Manager Chris Burkett,  
City Manager Clayton W. Chandler,  
Director of Business Services Peter Phillis,  
Assistant City Manager Cathy Anderson,  
Director of Public Safety Bill Lane





MANSFIELD ROLLER MILLS.  
FLOUR MEAL BRAN- CHOPS FOR SALE COAL

Even non-appointed volunteers made a significant impact with their efforts. The Citizens Police Academy Alumni maintained the important role of support for the Mansfield Police Department at community activities such as Fall Festival and National Night Out and providing assistance during emergency situations, warrant roundups and alarm updates.

The Friends of the Mansfield Public Library once again hosted a successful

Mansfield Reads! event, bringing a nationally known author to the city and offering creative and enthusiastic support for the city's library.

From cleaning up city parks to providing less fortunate residents Thanksgiving dinner, volunteers



throughout the city made a difference in the community and in the lives of other residents. The

generosity of their spirit and the strength of their leadership are a key element of the city's continued success.



The city's seven boards and commissions are staffed by volunteers appointed by members of the City Council. Having completed its last 10-year Master Plan in seven years, the Mansfield Park Facilities Development Corporation and the city's parks and recreation staff embarked on developing a plan for the next 10 years. The Planning & Zoning Commission worked with staff to monitor the impact of natural gas drilling in the city and examine issues related to residential development. The Mansfield Economic Development Corporation board and the city's economic development staff continued to expand the city's economy by bringing new companies to Mansfield.



2007 City Council (left to right)

Mayor Pro Tem Michael McSpadden, Greg Kunasek, Mike Leyman, Cory Hoffman, Darryl Haynes, Larry Broseh



# Taking Advantage of Natural Resources

## Mansfield utilizes, protects its natural resources

The wide-open grasslands were an appealing sight to early settlers in Mansfield. An even more welcome sight was the tree-lined, winding creek that ran across a wide area of the prairie. It is no coincidence that the city's first name was "Walnut Creek."

The creek and grasslands that played a vital role in the city's early

development now plays an important role in Mansfield's quality of life. Through its park system, as well as special programs and policies, the city is working to promote, protect and preserve the natural resources in the community that many residents hold dear.

The city's ever-expanding, award-winning park system has led the way in taking advantage of Mansfield's natural beauty. There are more than 500 acres of parkland throughout the city providing leisure and recreational opportunities for citizens.

"Open space has always been

important to residents in Mansfield because of the city's natural beauty," said Shelly Lanners, director of parks and community services. "The residents care deeply for our parks and view them as an essential element to the quality of life in Mansfield."

In 2007, the city's parks system saw a 10-year project come to fruition with the opening of the first phase of

the Walnut Creek Linear Park. The 1.9-mile trail along the scenic creek connects five parks and several neighborhoods.

"It was the vision of many in the community to take advantage of the creek's location and





create a linear park," Lanners said. "Since opening phase one, residents have taken to the trails, whether walking or biking. The Winter Walk event that was organized to celebrate the opening is now an annual event with hundreds of people coming to the linear park for a community walk."

The plan to extend the linear park 10 miles across the city from its western city limits to Joe Pool Lake is moving forward. The city has purchased 66 acres along Walnut Creek east of Matlock Road for a community park and the second phase of the linear park. Construction is expected to begin in 2008 and be

completed in 2010.

Improvements were also made to existing parks that included signage, landscaping and irrigation. And park planners worked with the city's arborist to begin a plan for protecting existing trees in the city parks and planting in areas where trees are less abundant.

Taking care of the city's natural

resources was an important topic in 2007 as water conservation, clean water initiatives and environmental policies were addressed by the city. The Mansfield Clean Water Project continued to focus on public education projects designed to improve

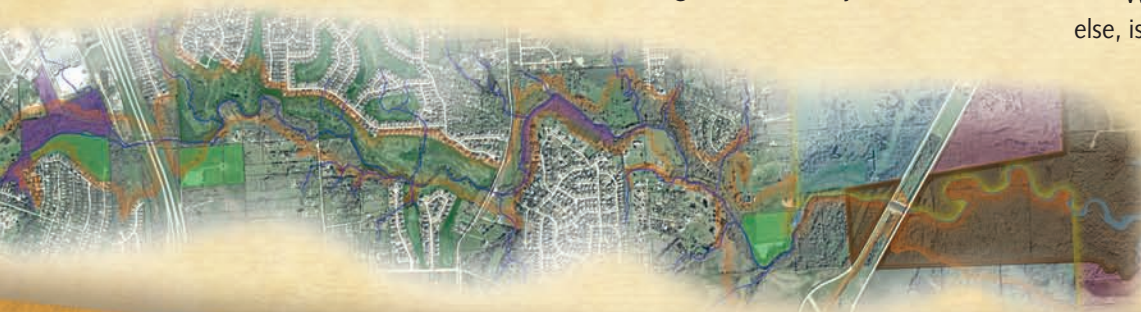
water quality and reduce pollution of the waterways.

As the state began a slow recovery from the previous years' drought conditions, efforts were underway to plan for conserving water if needed. In late 2007, the City Council approved the city's drought contingency plan.

"Water, like anything else, is becoming more

expensive, so we are trying to show residents how to conserve water, save money and have water around in the future to use," said Bud Ervin, director of utility operations.

The city also began planning for expansions of the city's water treatment plant, which would improve efficiency by increasing water pressure during peak usage.





# Building With an Eye Toward Quality

City's growth guided by desire for quality and value in new development, infrastructure

As rural Mansfield grew from a farming community to a suburb, quality became a hallmark of how the city developed: architecturally aesthetic structures, landscaped medians and developments and land use policies designed for the highest and best use.

Quality remains a concern as Mansfield's explosive growth brings new development – both residential and

commercial – and available undeveloped land is reduced. Over the last several years, the city has implemented zoning ordinances to focus on quality construction and design, as well as landscaping requirements and tree preservation.

"The City Council and the Planning & Zoning Commission have been proactive about zoning regulations that help give us the city we have envisioned," said

Felix Wong, director of planning.

"Creating a dialogue with developers and builders gets everyone on the same page and the ordinances and policies ensure our priorities are addressed. And the impact of these efforts



can be seen throughout the city."

In 2007, Mansfield's Planning Department began guiding discussions on future residential

development in the city. The Residential Development Strategies focus on creating better neighborhoods within the city through specific guidelines and policies.

"The ultimate goal," says Assistant Director of Planning Lisa





Sudbury," is to create sustainable growth and quality neighborhoods by developing design guidelines for products and materials, and establishing density and growth policies that preserve open space and discourage sprawl, thus increasing values and encouraging amenities."

Yet even as city officials were planning for the future, they were also remembering the past. Property and business owners in the historic downtown area joined with city staff to look at preservation and revitalization of the city's older areas. New regulations and

guidelines were part of the process, as was developing events to draw people to the downtown area.

In 2007, the Historic Mansfield Arts Festival was inaugurated, bringing artisans and musicians together in a festival setting and highlighting the area. Other activities included moving the annual holiday parade back to Main Street and holding a Wine Festival in downtown.

It is the responsibility of the city's Development Services Department to ensure that all buildings constructed, altered or maintained in the city meet recognized standards for quality and safety. While housing starts slowed in

2007, the increase in commercial construction provided challenges for building inspectors, plans examiners and permit technicians.

The city







posted 157 commercial permits in 2007 with a total value of \$117.27 million. The projects added 1.9 million square feet of commercial property to the city.

"We are seeing more commercial and industrial construction in the city," said Paul Coker, the city's building official. "Our inspectors and staff are expanding their knowledge and expertise to support more complex projects and development.

We still have residential construction in the city, however there has been a dramatic shift in the growth of commercial projects."

The gradual decline in residential construction resulted in 456 residential permits in 2007. However the average market value of a new single family residence grew to \$253,955 and the average new home square footage also grew to 3,907 square feet.

The city's infrastructure continued to expand in 2007. The public works department

added more than six miles of new streets, 14 miles of new water and sewer lines and four miles of new storm sewer during last year, and much of the work was in the city's growing southeast sector and in improving aging infrastructure in the central city.

"We are balancing reconstruction and improvements on existing roadways in the older sections of the city with new







construction in key areas of the southeast area where new development is increasing," said Steve Freeman, director of public works.

Among the major transportation projects in 2007:

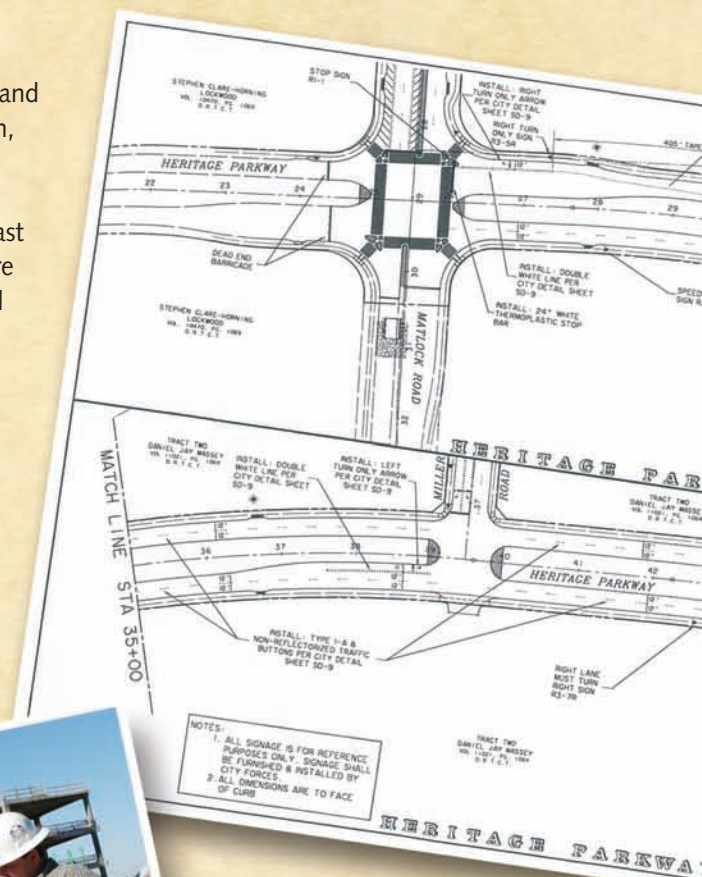
- Completion of expansion of Matlock Road from Broad Street to Heritage Parkway South and Heritage Parkway South to Highway 360 (\$4.45 million)
- Initial phases of West Broad Street expansion from Main Street to Cotton Drive (\$4.3 million)



- Design of Highway 287 frontage roads and bridge turnarounds between Broad Street and Walnut Creek Drive (\$1.5 million)

City engineers paid particular attention to two high traffic areas: Highway 360 and East Broad Street, where work began on widening the

highway crossover and adding signalization, and Highway 287 between Walnut Creek Drive and East Broad Street, where frontage roads will be added and bridges expanded to accommodate traffic for The Shops at Broad Street retail project.





# Economy Drives Growth

## Commercial Growth continues to keep local economy active

From the gristmill that was critical to the city's founding to the wagons of goods filling Main Street on trading days, Mansfield has been a city where the local economy was the driving force behind its growing population.

That economic trend continues today as Mansfield remains a leader among North Texas cities in several categories including ad valorem tax growth, sales tax growth and commercial and industrial development activity. The city's proactive approach to economic development has succeeded in expanding Mansfield's tax base beyond single-family residential property, adding new jobs to the

community and providing residents with an opportunity to spend their dollars locally.

"The diversity of Mansfield's economic base and balanced approach to growth and development is by design," said Richard Nevins, interim director of economic development. "It provides a way to secure the community's future. Our tax base is not solely dependent on one source."

Retail development growth has energized the community with new shopping and service businesses,

resulting in an 18 percent increase in the city's sales tax collection. In 2007, cash registers rang at the new Kohl's department store at Mansfield Marketplace Shopping Center and Marshal's and Home Goods at Mansfield Town Center West, with all three retailers exceeding sales expectations at the stores.

In late 2007, work began on Mansfield Pointe Shopping Center, a 150,000 square foot development that will bring Bed, Bath & Beyond, Petsmart, Circuit City and Sports Authority to the city in fall 2008.

Three new restaurant chains opened their Mansfield doors in 2007: Texas Roadhouse, Cotton Patch and Buffalo Wild Wings,

and Jason's Deli announced plans to build in a new retail development.

The city's growing entertainment district on the southeast side made significant strides in 2007. Construction on the 38-acre Big League Dreams Mansfield Sports Park neared completion just as work began on the city's new water park, Hawaiian Falls Mansfield. Both developments ignited interest in the city from hotel developers. By late 2007, three of the five projects – Best Western, Holiday Inn Express and LaQuinta – were open for business with two additional hotel developments in the planning stages.

While new retail and restaurants drew the most attention from enthusiastic residents, industrial and other commercial development quietly made a







significant impact in job growth and capital investment.

The Mansfield Economic Development Corporation's investment in 55 acres of land near Mansfield Industrial Park proved to be the catalyst for several new companies to build facilities in the city. By the end of 2007, all of the 55 acres had been sold. Among the new corporate citizens:

- German-based Peri Formworks, a builder of concrete forms for the construction industry, has built a U.S. facility on 16 acres.
- Gruber, a California-based company that builds custom home fixtures, purchased 5.8 acres for a new Texas office.
- American Cooler, located on 6 acres, is an aircraft component repair company.
- Ardex, a manufacturer of cement products for industrial flooring, is locating on 14.4 acres.
- Office/warehouse spec buildings will locate on 5.9 acres

These new industries joined Universal Air Conditioning, an automobile air

conditioning distributor which opened a \$6 million, 200,000 square-foot warehouse facility in 2007, adding 100 jobs to the community.

As Methodist Mansfield Medical Center celebrated its first anniversary, the city continued to feel the ripple effect of the \$134 million facility. Since opening its doors the hospital has employed 535 medical professionals and 294 physicians and saw more than 1,700 admissions.

The hospital's \$46 million annual economic impact doesn't include the growing number of medical-related businesses moving to Mansfield. Two new medical office complexes were announced in 2007, and a new retail shopping center across the street from the hospital began construction in late 2007.

The medical district also plays a role in the city's economic future. A 2,700-acre area south of the hospital campus – marketed as The Reserve at Mansfield – is the largest area of undeveloped land in Mansfield. City leaders began working with property owners in 2004 to implement design standards and market the area for mixed-used development of

residential, commercial, medical and public facilities.

In 2007, the city moved closer to financing public improvements in the area with the creation of Mansfield's first tax increment financing district. Increased tax revenue generated from development in the TIF will pay for roads, water and sewer and other needed infrastructure in The Reserve at Mansfield.

A key component of the city's economic development plan is The Shops at Broad Street, a 1.2 million square-foot retail lifestyle center. The project, by Cleveland-based Forest City Development, is expected to break ground in late 2008 and when completed will generate \$12.5 million in sales tax revenue and \$3.2 million property taxes annually.

As if retail, commercial and industrial activity weren't enough, the city is also seeing increased revenue from the oil and gas industry. The natural gas-rich Barnett Shale extends into Mansfield and several major

oil and gas companies are drilling wells in undeveloped areas of the city. As of the end of 2007, the city had approved 250 specific use permits for natural gas wells, and the Barnett Shale boom is expected to generate millions in revenue for the city over several years.

"In addition, the natural gas industry will be paying out millions of dollars in royalties to property owners and residents of Mansfield," Planning Director Felix Wong said.





# Services Grow with the Community

City strives to give residents 'more than the basics' when it comes to services

From its earliest days as a rural farming community, Mansfield leaders made providing services for residents a priority. From the first city library in 1929 to building a new water park in 2008, community services have enhanced the quality of life in Mansfield for decades.

Over the last several years, the city's growth has been reflected in the increasing number of patrons using city services such as the library and recreation

programs. The Mansfield Public Library has seen a 23 percent increase in circulated materials and an 11 percent increase in computer usage at the library. More than 6,000 enrolled in programs at the Mansfield Activities Center in 2007, and total visits to the MAC are up five percent.

"Programs offered through our public library and our parks and recreation department are still a great barometer for what is happening in the community," said Assistant City Manager Cathy Anderson.



"Residents see these activities as an extension of the community and an essential part of being a resident of Mansfield."

In 2007, the Parks & Recreation Department extended its success with recreation classes and athletic programs to outside the Mansfield Activities Center and special events within the community.

After the 2006 grand opening of Town Park, the park's "Night on the Town" event became a regular spring

and fall feature at the amphitheater. Alternating between live music and family films, the series drew as many as 350 people each week to the park.

Hometown Holidays, sponsored by the city's parks and recreation department, has evolved to include more community groups and activities. Partnering with downtown businesses, the city moved the annual Hometown Holidays parade back to Historic Downtown Mansfield in 2007 and drew thousands of participants and spectators to the celebration.

Also in 2007, the city finalized its



contract with Hawaiian Falls to partner on Mansfield's first aquatic facility, approved by voters in a 2004 bond election. Construction began on the 14-acre water park, located next to Big League Dreams, with plans to open in May 2008.

And speaking of Big League Dreams, the two-year construction of the eight major league replica field sports park was delayed slightly by extended periods of rain. However, by the end of 2007 the project was on target for a spring 2008 opening.

With the Top 10 projects in the parks master plan almost complete, work is underway on updating the plan. A major component of the plan will be an expansion of the Mansfield Activities Center, which could double its size and add a gym, meeting room, aerobic studio and workout area.

The Mansfield Public Library continued its success in 2007, focusing on children and youth programming and offering more free classes for adults.

"Even without a major change in our

programming or new activities, the library continues to post double digit growth each year," said City Librarian Steve Standefer. "People are coming into the library for materials, to use computers and to attend programs."

The community's connection to the library remained strong

as volunteers worked through the Friends of the Mansfield Public Library to raise funds and plan programs. The Friends worked with the library to again host Mansfield Reads!, the city's award-winning one-city, one-

special programs and book signings.

Public safety issues grow along with a city's population and Mansfield is no different. However increased staffing,

book program. As in the previous four events, the 2007 event hosted the book's author for several





improving technology and focusing on organizational efficiencies have kept growing pains at bay for the city's Public Safety Division.

In 2007, the Public Safety Division – which includes police, fire, municipal court, animal control and jail operations – planned for the opening of a new fire station and continued to streamline administrative functions of the individual departments under the public safety division structure.

With calls for service up 16 percent over the previous year, Mansfield police

officers and firefighters turned to new technology (computer aided dispatch system) to coordinate responses to emergency situations.

"Because of the increases we see in call volume each year,

coordination with police and fire and having the best and most up-to-date technology is critically important," said Deputy

Police Chief Gary Fowler.

Officials broke ground on Fire Station No. 4, located in the city's northwest sector. Expected to open in late 2008, the project will give Mansfield Fire Department a station in each of the city's four quadrants and allow firefighters to provide more effective coverage for Mansfield.

Technology was also important for the police department's Criminal Investigation Department. A full-







time crime scene technician was added to enhance the department's function and data gathering at crime scenes.

The Mansfield Law Enforcement Center continued to enhance new security technology for the jail facility. The city is in the second year of a 10-year agreement with the City of Fort Worth to house their prisoners, a contract valued at more than \$56 million to the city over those 10 years.

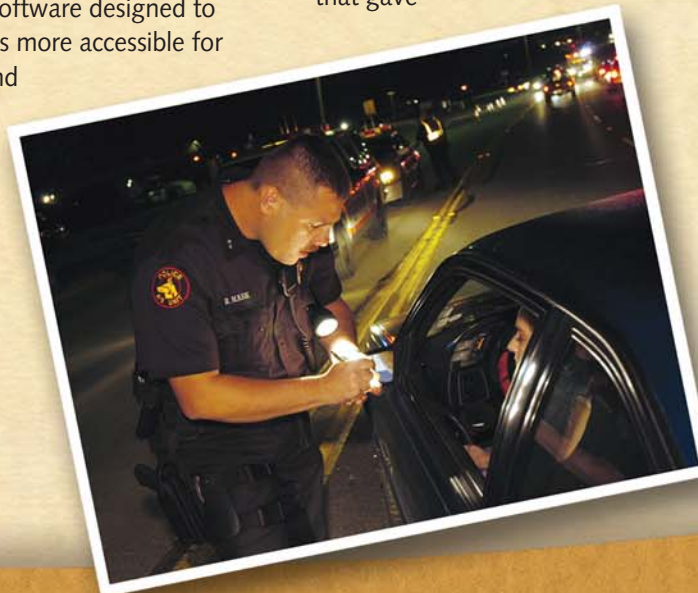
Municipal Court continued to

efficiently manage court operations with new computer software designed to make documents more accessible for public record, and more accessible to officers who can access both jail and court information



from patrol car computer terminals.

The city's Animal Care & Control officers took care of the city's pet population in 2007 with new kennels that gave



officers more space for animals and improved adoption ratios by more than 40 percent.

Animal Control also continued to receive community support, particularly at the annual Pet Mania event. Now in its fifth year, Pet Mania draws residents for activities that promote pet care and encourages responsible pet ownership. The event has raised more than \$10,000 toward the purchase of a mobile pet adoption unit.



## An Award-Winning City



Best Places to Live in America – Money Magazine, 2007

Fastest Growing Suburbs in America – Forbes, 2007

#1 Tarrant County Suburb – Fort Worth, Texas Magazine, 2006

Best Real Estate Deal Finalist, Shops at Broad Street – Dallas Business Journal, 2007

Excellence in Libraries Award – Texas Municipal League, 2007

Promotional Award – Texas Recreation and Parks Society Region 2, 2007

Recreation Professional Award (Andrew Binz) – Texas Recreation and Parks Society Region 2, 2007

Young Professional Award (Coco Garcia) – Texas Recreation and Parks Society Region 2, 2007

Individual Service Award (Mike Hennech) – Texas Amateur Athletic Federation, 2007

Distinguished Service Award (Dianna Faulkenberry and Stephanie Patterson) – Texas Court Clerks Association

Tree City USA - 2007

Savvy Award Finalist, Best Annual Report – 3CMA, 2007

Savvy Award Finalist, Best Special Events (Night on the Town, Winter Walk) – 3CMA 2007

TAMI Award Finalist, Best External Newsletter – Texas Association of Municipal Information Officers, 2007

TAMI Award Finalist, Best Annual Report – Texas Association of Municipal Information Officers, 2007

TAMI Award Finalist, Special Publications (Recreation Catalog and Parks Guide) – Texas Association of Municipal Information Officers, 2007

Distinguished Budget Award – Government Finance Officers Association, 2007

Comprehensive Annual Financial Report Award – Government Finance Officers Association, 2007

Popular Annual Report Award – Government Finance Officers Association, 2007



# Financial Stability Provides for the Future

## Financials

### Overview of the City of Mansfield Financial Condition

The City of Mansfield's financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private business. This brief overview concentrates on the government-wide financial statements only. A more comprehensive analysis and narrative about the fund financial statements and the notes to the financial statements are included in the city's Comprehensive Annual Financial Report (see Page 18 for availability).

The government-wide financial statements distinguish functions of the city supported by taxes (governmental activities) from other functions that are intended to recover their costs through

user fees and charges (business-type activities).

- The governmental activities include general government, public safety, public works and cultural and recreational activities.
- The business-type services include water and sewer, the law enforcement center and drainage services.

The government-wide financial statements include not only the City of Mansfield itself (known as the primary government), but also a legally separate Mansfield Economic Development Corporation (MEDC) for which the city is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government. The Mansfield Property Finance Authority and the Mansfield Park Facilities Development Corporation



(MPFDC), although legally separate, function for all practical purposes as departments of the city and have been included as an integral part of the primary government.

### City of Mansfield Financial Highlights

#### Statement of Net Assets

The statement of net assets presents information on all of the city's assets and liabilities, with the difference between the two as net assets. Over time, increases or

#### Statement of Net Assets (FY 2007) Millions of Dollars



decreases in net assets may serve as a useful indicator of whether the financial

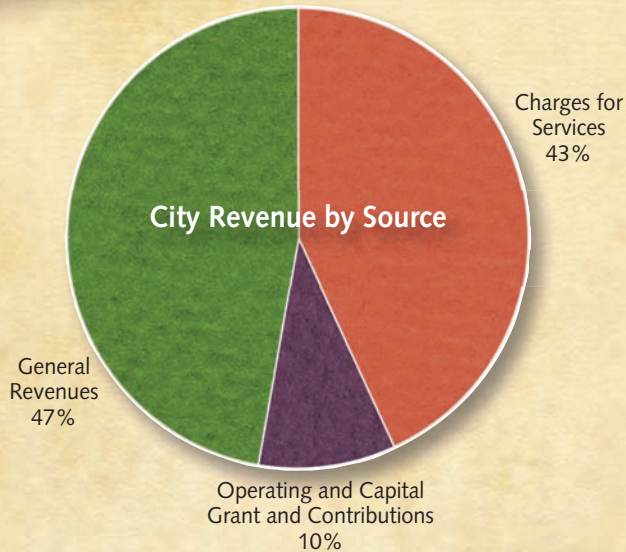
position of the city is improving or deteriorating. For fiscal year 2007, the city's assets exceeded its liabilities by \$335,662,904 (net assets). This increased by \$14,354,062 from the fiscal year 2006 net asset position.

#### Statement of Activities

The Statement of Activities reflects the total revenues generated and entire costs of operating the services of the city. The Statement of Activities for the fiscal year ending September 30, 2007 reports total revenues of \$85,905,641 and total operating expenses of \$71,551,579.

City revenues consist of program revenues and general revenues. Program revenues are charges for services, as well as operating and capital contributions and grants for a specific operating activity (i.e. water and sewer, public works). General revenues are property taxes, other taxes (i.e. sales tax and

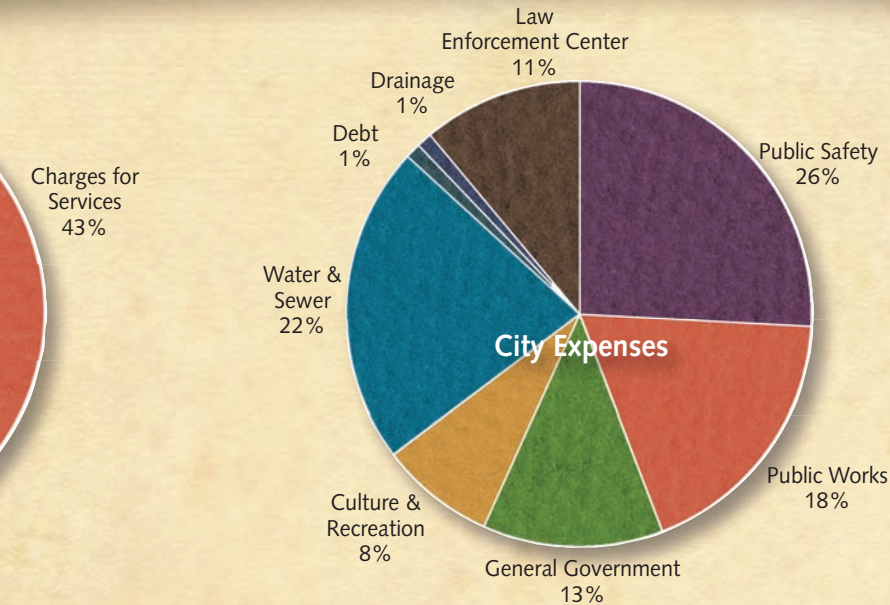




franchise tax), investment earnings, and the gain on the sale of capital assets. Operating expenses include the day-to-day expense of operating the city.

#### Governmental and Business-type activities

Individually within the City of Mansfield Financial Statements, governmental activities and business-type activities are reported separately and independently. The two activities are separated because of the nature of their operating activities and the funding of their activities.



#### Governmental Activities

The general fund is the chief operating fund of the governmental activities of the city. Most of the operating revenue & expenses in the governmental activities occur within the general fund.

#### Statement of Net Assets

The Net Assets for the governmental activities increased \$14,354,062 in fiscal year 2007. The primary reasons for the increase are the efficient management of

operating expenses and an increase in property valuations.

#### Statement of Activities

##### General Fund Operating Revenues

The city's general fund revenues increased when compared to the prior year by 11.94 percent or \$5.86 million. The main reason for this increase was the value of new construction and real

#### Statement of Net Assets- Government Activities

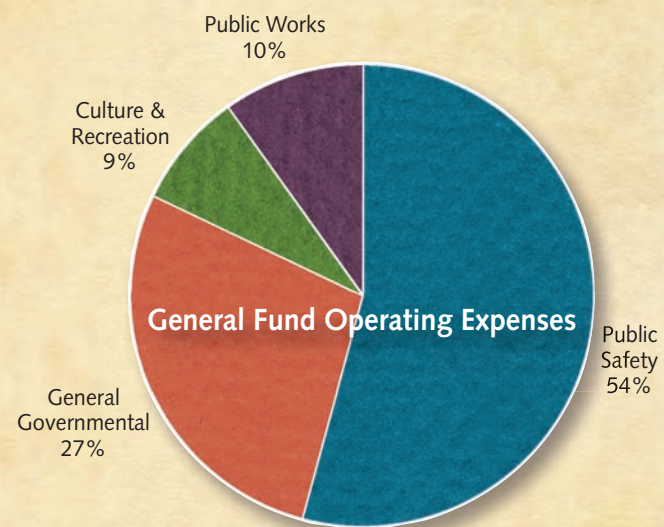
Millions of Dollars

334.14	Assets
107.11	Liabilities
227.03	Net Assets

property within the City of Mansfield. The overall assessed value of the property in the city increased by \$265 million or 8.7 percent as compared to the prior year.

Additionally, sales tax revenue increased by 18 percent or \$941,612 compared to the prior fiscal year. Per Capita Sales Tax has increased approximately \$30 over the past several years. This is the approximate equivalent of 25 percent of the annual average tax rate over the past several years. The increase in sales tax is





## Historical Review of City's Property Tax Rate

## Historical Review of City's Assessed Property Value

attributed to the addition of new retail businesses within the city.

### General Fund Operating Expenses

Historically over the past 10 years personnel costs have averaged approximately 70 percent of the general funds operating budget while the remaining 30 percent have been expensed for other operating costs (i.e. utilities). Per Capita, on average over the past seven years, for every 1,000 Citizens

the city has employed approximately 0.6 full time employees.

### Business-type activities

The city has three primary business-type activities: Water & Sewer Fund, Law Enforcement Center and a Drainage Fund.

Overall revenues of the city's business-type activities were \$31.01 million for the fiscal year ending September 30, 2007.



Expenses for the city's business-type activities were \$24.36 million for the year, resulting in an increase in net assets of \$6.6 million.

### Government-wide Debt Administration

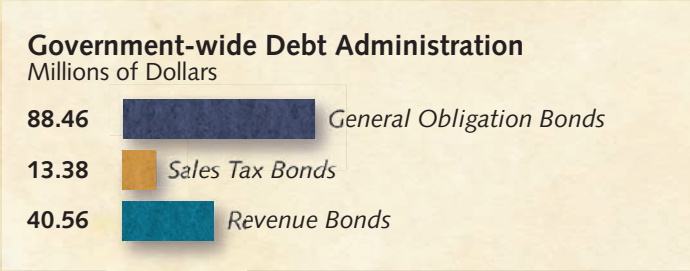
At the end of the current fiscal year, the City of Mansfield had total bonded debt outstanding of \$142,390,000. Of this amount, \$88,455,000 comprises debt backed by the full faith and credit of the

specified revenue sources (i.e. revenue bonds).

The City of Mansfield's total debt increased by \$9.4 million or 7.09 percent during the current fiscal year. The key factors in this increase were a \$6.9 million general obligation bond issuance for the city's Capital Improvement Plan for streets and a new fire station. There was a \$1.5 million Tax Notes issuance for the renovation of City Hall and the purchase of fire equipment. Also, the city issued \$3.9 million in Sales Tax Revenue Bonds to finance the construction and equipping of recreational facilities.

The city maintains bond ratings from three investment houses:

Underlying Ratings					
Company	Insured Ratings	General Fund Bonds	Water & Sewer Revenue Bonds	Sales Tax Revenue Bonds	Drainage Revenue Bonds
Moody's	"Aaa"	"Aa3"	"A1"	"A1"	"A1"
Standard & Poor's	"AAA"	"AA-"	"A"	"A"	"A"
Fitch	"AAA"	"AA-"	"AA-"	"A+"	"A+"



government and \$13,380,000 is revenue debt supported by a sales or transit tax. The remainder of the city's debt represents bonds secured solely by

### Requests for Information

As management of the City of Mansfield, Texas we offer readers of the City of Mansfield's financial statements this narrative overview and analysis of the financial activities of the City of Mansfield for the fiscal year ended September 30, 2007. This information is not intended to be a complete statement of the City's Financial Condition. We recommend and encourage readers to consider this information as excerpts from the City of Mansfield, Texas Comprehensive Annual Financial Report. A copy of the City of Mansfield, Texas Comprehensive Annual Financial Report may be obtained at 1200 E. Broad Street, Mansfield, Texas 76063.



**City of Mansfield  
Statement of Net Assets  
September 30, 2007**

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>MEDC</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 29,265,689	\$ 6,554,274	\$ 35,819,963	\$ 3,535,615
Receivables (net of allowance for uncollectibles)	1,703,116	3,163,768	4,866,884	235,752
Lease receivable	630,000	-	630,000	-
Inventories	-	403,890	403,890	-
Prepays	40,039	229,400	269,439	2,541
Deferred issuance costs	1,738,563	918,582	2,657,145	248,209
Restricted assets:				
Cash and cash equivalents	-	18,018,400	18,018,400	5,216,227
Capital assets (net of accumulated depreciation):				
Land	91,625,297	372,719	91,998,016	8,499,703
Buildings and systems	17,355,416	111,594,619	128,950,035	-
Improvements other than buildings	7,983,149	1,794,932	9,778,081	131,210
Machinery and equipment	5,086,427	751,420	5,837,847	2,638
Infrastructure	146,771,407	-	146,771,407	-
Construction in progress	31,949,010	10,614,258	42,563,268	-
Total assets	<u>334,148,113</u>	<u>154,416,262</u>	<u>488,564,375</u>	<u>17,871,895</u>
<b>LIABILITIES</b>				
Accounts payable and other current liabilities	5,337,570	362,768	5,700,338	194,766
Liabilities payable from restricted assets	-	1,998,708	1,998,708	-
Noncurrent liabilities:				
Due within one year	6,735,951	4,102,222	10,838,173	467,859
Due in more than one year	<u>95,043,520</u>	<u>39,320,732</u>	<u>134,364,252</u>	<u>11,306,861</u>
Total liabilities	<u>107,117,041</u>	<u>45,784,430</u>	<u>152,901,471</u>	<u>11,969,486</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	217,381,595	97,214,237	314,595,832	2,323,267
Restricted for:				
Debt Service	992,811	3,906,415	4,899,226	-
Unrestricted	<u>8,656,666</u>	<u>7,511,180</u>	<u>16,167,846</u>	<u>3,579,142</u>
Total net assets	<u>\$ 227,031,072</u>	<u>\$ 108,631,832</u>	<u>\$ 335,662,904</u>	<u>\$ 5,902,409</u>

The notes to the financial statements are an integral part of this statement.



**City of Mansfield  
Statement of Activities  
For the Year Ended September 30, 2007**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		MEDC	
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 9,073,435	\$ 4,240,565	\$ 287,873	\$ -	\$ (4,544,997)	\$ -	\$ (4,544,997)	\$ -
Public safety	17,451,853	1,368,232	43,901	50,091	(15,989,629)	-	(15,989,629)	-
Public Works	12,010,337	2,856,048	-	5,639,971	(3,514,318)	-	(3,514,318)	-
Culture and recreation	5,366,119	1,876,830	7,157	-	(3,482,132)	-	(3,482,132)	-
Interest on long-term debt	4,543,103	-	-	-	(4,543,103)	-	(4,543,103)	-
Total governmental activities	48,444,847	10,341,675	338,931	5,690,062	(32,074,179)	-	(32,074,179)	-
Business-type activities:								
Water	11,407,584	12,357,196	-	2,405,231	-	3,354,843	3,354,843	-
Sewer	3,335,448	5,702,443	-	-	-	2,366,995	2,366,995	-
Law enforcement center	7,477,723	7,723,780	-	-	-	246,057	246,057	-
Drainage	885,977	1,031,433	-	-	-	145,456	145,456	-
Total business-type activities	23,106,732	26,814,852	-	2,405,231	-	6,113,351	6,113,351	-
Total primary government	\$ 71,551,579	\$ 37,156,527	\$ 338,931	\$ 8,095,293	\$ (32,074,179)	\$ 6,113,351	\$ (25,960,828)	\$ -
Component units:								
MEDC	3,395,501	7,462	-	-	-	-	-	(3,388,039)
Total component units	\$ 3,395,501	\$ 7,462	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,388,039)
General revenues:								
Property taxes					23,971,805	502,595	24,474,400	-
Sales taxes					9,259,013	-	9,259,013	3,077,109
Franchise taxes					2,669,156	-	2,669,156	-
Mixed drink taxes					74,549	-	74,549	-
Hotel/Motel taxes					101,971	-	101,971	-
Unrestricted investment earnings					2,353,300	1,296,027	3,649,327	391,707
Gas Royalty Income					108,981	-	108,981	446,626
Gain (Loss) on sale of capital assets					(22,507)	-	(22,507)	328,982
Transfers					1,248,746	(1,248,746)	-	-
Total general revenues					39,765,014	549,876	40,314,890	4,244,424
Change in net assets					7,690,835	6,663,227	14,354,062	856,385
Net assets - beginning					219,340,237	101,968,605	321,308,842	5,046,024
Net assets - ending					\$ 227,031,072	\$ 108,631,832	\$ 335,662,904	\$ 5,902,409

The notes to the financial statements are an integral part of this statement.



**Produced by the City of Mansfield Communications & Marketing Department**

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